

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
UPPER PENINSULA POWER COMPANY)	
for extensions of the waivers granted in connection)	
with the monthly meter reading requirements in the)	Case No. U-18455
Commission's billing practices applicable to)	
residential and non-residential electric and gas)	
customers.)	
_____)	

At the October 25, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING WAIVER REQUEST

On September 21, 2017, Upper Peninsula Power Company (UPPCo) filed an application requesting an extension of the waivers of the monthly meter reading requirement under Mich Admin Code, R 460.113(1) (Rule 13(1)) and R 460.1608(1) (Rule 8(1)) of the Commission's billing rules applicable to residential and non-residential electric and gas customers, respectively.¹

Both the residential and the non-residential billing rules provide that, upon written request, the Commission may temporarily waive any requirements of these rules when it determines the waiver will further the effective and efficient administration of these rules and is in the public interest. In

¹ In its November 8, 2007 order in Case No. U-14851, the Commission granted UPPCo a waiver from Rule 13(1) of the Commission's residential billing rules, and in its November 13, 2008 order in Case No. U-15603, the Commission granted UPPCo a waiver from Rule 8(1) of the Commission's non-residential billing rules. The Commission granted UPPCo extensions of the waivers in Case Nos. U-16064, U-16449, U-16870, U-17234 and U-17923.

this proceeding, UPPCo is requesting extensions of the waivers from Rules 8(1) and 13(1) because UPPCo does not have an automatic meter reading system. UPPCo asserts that if it is required to read each meter monthly, annual costs for 2018 are expected to increase approximately \$914,000.

UPPCo explains that its waiver extension requests are an alternative to recovering the increased meter reading costs through a rate increase. UPPCo further asks the Commission to reconsider its earlier determination in its November 12, 2009 order in Case No. U-16064 where it decided that “in all future requests for waivers from residential and non-residential billing rules, UPPCo shall request a specific time period, not to exceed one year, and shall file an application for an extension of a waiver no more than two months prior to the expiration of the previous waiver.”

The company argues that it is reasonable and prudent for the Commission to grant waivers that exceed the one-year limitation because this will save time and resources for all parties involved. UPPCo further points out that the underlying circumstances necessitating the extension of the waivers will not likely change in the foreseeable future. Thus, citing Commission support for extensions of the waivers beyond the one-year limitation and for removing the two-month filing requirement as furthering the effective and efficient administration of the rules and as being in the public interest, UPPCo now asks that the Commission grant the extension of the waivers of Rules 13(1) and 8(1) indefinitely, or alternatively, at least until November 1, 2019.

In further support of its request, UPPCo asserts that it is committed to providing excellent customer service and argues the requested extensions of the waivers will not harm customers. UPPCo explains that, under its current meter reading system, UPPCo has a billing representative review all customer accounts that fall outside billing parameters and perform an actual reading if the bill review cannot be carried out with the customer by telephone. UPPCo states that it encourages customer meter reads, provides meter reading cards upon request, and promotes budget billing to eliminate monthly billing swings. UPPCo maintains that it will not charge interest,

penalties, or late fees for late payment of estimated bills. Residential customers will be notified annually that UPPCo reads meters bi-monthly, and customers who disagree with an estimated meter reading may request an actual meter reading.

Although the Commission did not issue a formal request for public comment on the waiver extension, the Commission nevertheless received a number of comments from various residents. Some individuals urged the Commission to limit the extension of the waivers requested in this case to a period of six months, while others commented that the Commission should deny UPPCo its request for a 2-year extension. In addition, the Commission received comments requesting that the Commission conduct an investigation into UPPCo's billing practices. The Commission also received several comments voicing concern about UPPCo's high rates and the amount it bills its customers.

The Commission has considered UPPCo's application as well as the comments filed in this docket. The Commission finds it is reasonable and prudent to grant a limited one-year extension of the waivers from Rules 8(1) and 13(1) until November 1, 2018, rather than the requested two years. If properly implemented, the estimated billing practice used by UPPCo can increase efficiencies and lower overall costs for utility customers. Further, in response to the comments filed in this docket, UPPCo is directed to work with the Commission Staff (Staff) to review the utility's estimated billing practices to ensure accuracy. Ninety days from the date of this order, the Staff shall submit a report in this docket summarizing its findings and conclusions. The results of such review can also inform future requests for waivers from Rules 8(1) and 13(1).

THEREFORE, IT IS ORDERED that:

A. Upper Peninsula Power Company's request for extensions of the waivers of Mich Admin Code, R 460.113(1) and R 460.1608(1) is granted until November 1, 2018.

B. The Commission Staff shall review Upper Peninsula Power Company's estimated billing practices and shall submit a report summarizing its findings and conclusions 90 days from the date of this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

By its action of October 25, 2017.

Norman J. Saari, Commissioner

Kavita Kale, Executive Secretary

Rachael A. Eubanks, Commissioner